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FROM: Tripoli

TO: Secretary of State

NO: 143, November 3, 2 p.m.

JOINT STATE-FOA MESSAGE FROM SUMMERS AND EASTON.

Reference Benghazi's 114 and DEPTEL 65.

Contents CA-2425 transmitted GOL by aide-memoire October 26. In discussions November 1 with Doctor Aneizi and Pitt-Hardacre and November 2 with Prime Minister re Joint Economic Commission GOL representatives approved in principle contents aide-memoire and therefore of proposals in CA-2425 with following exceptions:

1. Libyans in favor of two executive directors having equal authority, an American national paid by United States and Libyan national paid by Libya. Aneizi said there would be no doubt that the American director would be the "leader" but it is politically desirable he bear title "co-director". Libyans object to appointing and paying American national on grounds that maximum salary allowable under Libyan law is 2400 Libyan pounds subject to tax and with allowances, which would not be sufficient to attract a qualified American national. In any event Libyans not enthusiastic about paying him even this much salary, suggesting that if he is to be paid locally he be paid directly by Joint Commission and that United States increase amount of economic aid to cover this extra expense.

2. Libyans indicate that yearly contribution from special fund as distinguished from additional $3 million available this year should be approved pro forma as part of Libyan budget by Parliaments since Parliament considers it part of revenues accruing to Libya which must under local practice pass through Parliament. Libyans assure us, however, approval of Parliament would be merely token and that moneys would pass right through to credit Joint Commission.

3. Libyans suggest American director should be economist rather than engineer.

Aneizi said the above represent the views of himself and the Prime Minister, but that they would be subject to approval by Council

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Council of Ministers.

The Libyans feel that the Joint Commission should maintain direct liaison with the development and stabilization agency as well as with FOA and the UN technical assistance program.

Aneizi said that the Libyan members of the Commission would probably be the Prime Minister, acting as chairman, the Ministers of Finance and Economy and the Nazir of Agriculture for Tripolitania. Original authority for the use of economic aid funds would be vested in Council of Ministers but they would delegate such authority to Libyan members Joint Commission. This, however, would be an internal matter for the Libyan Government and need not be dealt with in an agreement.

The Libyans have already selected Khalil Bannani as a candidate for the Libyan co-director. Bannani was formerly Mayor of Benghazi and Nazir of Education, Health and Finance for Cyrenaica.

Since the government is moving to Tripoli this week, it is suggested that the Department send further instructions to the Legation there.

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MRM:BJC

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